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IRRESPONSIBLE WEALTH.

BY THE HON. EDWARD J. PHELPS.

IT IS not quite easy to see why money which is not invested in real estate, or in other visible forms, should have recently come to be called "irresponsible wealth." If that phrase is to be understood as referring to the owners, it has no significance, unless the property in question is supposed to be secret, so that its possessors live and move in a community which does not know that they are rich. This is so difficult as to be almost impossible. While it is true that investments in securities, and especially in negotiable securities that pass readily from hand to hand without necessarily disclosing what hands, are more withdrawn than realty can be from the public eye, and can more readily escape taxation, a man cannot hold a large amount of them without the world becoming well aware of it. Unless he is very secretive, much away from the sight of men, and not incapable of a timely deception, he will hardly find it easy to have a great estate, and yet to conceal it from the inquisitive eyes of his neighbors. Least of all in a country where there is no secret which is not regarded as the lawful property of the public, for whose benefit thousands of detectives are constantly at work. Every man in America lives in a glass house, whether he throws stones at other people or not. Millionaires are usually well known, as the billionaires to come soon will be. Very few of them are "born to blush unseen," and there are perhaps those among them who are not much accustomed to blush at all.

But if great wealth is enjoyed by comparatively few, the cheaper luxury of advising them what to do with it is within the reach of us all. On no subject does it seem so easy for those who are not rich to advise as on that of charity. The generosity of mankind in the disposition of other people's money is creditable to human nature. It seems such an easy thing to give, and so

noble to do good and to relieve distress. Those who have little to spare, and who compare their own narrow incomes with great ones, quite naturally come to believe that the rich are but scanty in their benefactions, and to fancy that, if they were themselves wealthy, they would scatter their thousands with a grand benevolence, and always in the right direction. Where property is not visible, its amount is generally exaggerated in the public estimation, as partially-concealed forces are apt to be. Its proprietor has credit usually for more millions than he possesses, though doubtless in rare instances for less. The spectators overestimate his resources, and very much underestimate the increased demands of all sorts which follow the growth of wealth with a constant footstep. And they are often not at all aware, in the case of many rich men, of the amount that is really given away, or better than given away, through a thousand channels, quietly and without display.

Especially do those who criticise the charities of others fail to remember, or perhaps to know, how extremely difficult it is to give away money wisely and usefully. This suggestion may probably be controverted. We all have our favorite objects, each one of which appears to some of us the very best among the multitude of enterprises set on foot for the good of mankind. We see and are ready to admit that many of the projects that other people advocate, are mistaken, unworthy, ill-managed, and likely to be unfruitful. We perceive clearly enough that a good share of them are put in motion rather for the support of their agents and runners than for the attainment of the objects they propose to seek. But that is never the character of our own schemes, nor the purpose of the worthy persons who are carrying them on. Give liberally to the churches, cries one (meaning, of course, those of his own creed), for what can be so important to man as his eternal welfare? Give rather to the colleges, the schools, and the libraries, says another, for the very safety of the republic is in the education of its people. Relieve first of all, interposes a third, the suffering poor, and support the hospitals and asylums established for their benefit. Build monuments, shouts the fourth, to the illustrious dead, that shall be a perpetual stimulus to heroic exertion, and durable emblems of a nation's gratitude. And among the numberless institutions and proposals that within the lines of each of these important forms of beneficence, vie and

clash with each other in ceaseless and discordant appeal, we all have our particular favorites, on which, as it seems to us, whatever may be said about other schemes, too much money could hardly be lavished by the wealthy. Every one has within his own observation, also, many cases of individual and meritorious necessity, which it would be so gratifying to provide for, and which would so well repay liberality in the consciousness of doing good.

There can be no question of the importance and usefulness of all these principal objects. Some of their numerous agencies are conspicuous before the world, admirable in their work, their management, and their success. Others, less widely known, might be found upon investigation to be equally worthy of support. Of private appeals to the benevolent, it goes without saying that very many are well founded. Still the fact remains that, aside from a few institutions of unquestionable character, it is extremely difficult to select judiciously among the increasing multitude of demands. Their united clamor affects very differently those to whom it is addressed and those who help to make it; as the volume of sound from a large orchestra is one thing to the listener, and quite another to the individual performer, intent upon his own instrument, impressed with its importance, and giving little heed to any other. To discriminate among institutions and organizations, and to investigate properly private cases, requires an expenditure of time and labor that few men are able to bestow. Attempts at the relief of the poor, especially, are attended with great embarrassment. The term "the poor" is very comprehensive, very uncertain, and to unreflecting minds very satisfactory. But the questions, who are the deserving poor, how are they to be discovered and reached, and wisely as well as humanely relieved, have been found, by those who have undertaken the business, not easy to answer.

There is, of course, a class of helpless, born so, or overcome by misfortunes beyond their control. They are always and necessarily the proper objects of charity. But the great mass of the destitute in this country are brought to that condition by vice, idleness, and crime. They will not work in any resolute way, nor learn how to work to advantage, though to beg they are never ashamed. Their miserable earnings, so far as they have any, and whatever else they can lay hands on, are largely consumed in the saloons, and go to the support of the political potentates of their

municipalities. Their principal usefulness is in the breeding of paupers and criminals, and in holding the balance of power in popular elections. Their necessities may well enough be left to the public charity, supported by taxation, the burden of which is steadily increasing. When those who are thus poor by their own fault are deducted from the general mass that we call the poor, the number that remains is comparatively small. And often those most needy and most worthy, deterred by self-respect from seeking alms, and struggling in vain to support themselves, are the last to be discovered and to profit by the benefactions of the charitable. Occasionally such an instance transpires through the newspapers, and always attracts relief, but only when it reaches extremity.

After the Piccadilly riots in London, three or four years ago, the suggestion was made in the public prints that want might be the real cause of the outbreak. The immediate response was the establishment of a fund in the hands of the Lord Mayor, to which very large sums were contributed by the wealthy, with reckless generosity. The existence of this provision at once attracted to London crowds of professional paupers and sharpers from all directions. And though every effort was made by the committee in charge to dispense the money judiciously, it afterwards came to be known that a large share of it found its way into unworthy hands, and was a positive mischief instead of a relief, the subject of plunder rather than the means of charity.

These remarks are not intended to discourage the relief of the poor, enough of whom meritorious as well as needy are always with us, but only to suggest how much easier it is to cry without reflection, "Give to the poor," than it is to give discreetly and usefully when the matter is taken in hand. There are excellent organizations for the purpose, no doubt, to which contributions may be well intrusted. But even here, as there are poor and poor, so there are societies and societies. *Quis custodiet ipsos custodes?* is a question that will never cease to be material in the dispensation of beneficence of any sort. Every day's observation shows how much money is given away, in many directions and for many purposes, with the best of motives but with the worst of judgment, and the most inadequate and even mischievous results.

The discussion of this subject, commenced by Mr. Carnegie,

and continued in the magazines on both sides of the Atlantic, has drawn out some very eminent men, Cardinal Manning and Mr. Gladstone among the number. The proposition with which Mr. Carnegie sets out, that it is better for a rich man to dispense his charities in his lifetime than to leave them to be administered under his will, is undeniable. Coming from one who is not merely admonishing a class to which he does not belong concerning duties that are not his own, but who by generous example illustrates what by precept he enjoins, his suggestions deserve and will receive attention. The facilities afforded in many places, in the administration of what is called justice, for the prolonged contest of wills upon no just grounds whatever, to the waste of estates, the slander of the dead, and often the distress of surviving relatives, until an unrighteous compromise is finally extorted, are a constant warning to those who have wealth to dispose of, to do it while they still live, and can assert control over their own. It is only in theory that a man has a right to make his own will, if he has much to leave behind him. And the difficulties which under the most favorable circumstances attend the administration of considerable post-mortuary charities, tend strongly to support Mr. Carnegie's views.

Mr. Gladstone's proposal, set forth in an interesting article, for bringing to pass what he appears to think is needed—a larger measure of giving on the part of the rich—does not seem likely to be acceptable to those whom it addresses. His suggestion is that rich men should enter into a sort of compact with each other to give away annually a certain proportion of their respective incomes. Even if it is necessary to devise schemes to stimulate the generosity of the wealthy, this one will hardly commend itself as practicable. It is not reasonable to suppose that any considerable number of men of large income would enter into such a society, binding themselves, by an honorary engagement even stronger in its obligation than a legal contract, to relinquish a material share of their revenue annually, whether satisfactory opportunities or really worthy objects present themselves or not. It would be surrendering not only their property, but the freedom of volition which men do not like to part with, and which gives charity all its merit. Were such an obligation assumed, the life of the parties to it would speedily become a burden. It would be impossible to receive or answer, much less to investigate and con-

sider, the thousands of applications of every conceivable description that would pour in from all quarters, many of them dishonest, many more unwise or impracticable ; and even those that are both honest and expedient, only to be found so through careful examination, and then to be discriminated from a multitude of others, equally meritorious and equally importunate. Whoever was induced to enlist into such an army of benevolence, would soon be compelled either to obtain his discharge or to desert and fly.

The duty of charity, incumbent upon all according to their ability, and increasing in its demands as the means for meeting them are enlarged, will be universally conceded. It may well be inculcated, as all other duties are, by preaching, and still better by example. The world has not outgrown the necessity for either. However difficult it may be to discriminate, good opportunities will always present themselves to him who is willing to attend to them. But it must be conceded, after all, that, more perhaps than any other in the world, this duty and the selection of its objects must be left to the conscience and the judgment of the individual. Every man should be allowed to judge for himself in respect to it, without undue importunity beforehand or unfair criticism afterwards. If property has any rights, one of the most obvious is that its owner shall be the exclusive judge of how much, when, how, and where he shall give away. Whatever he does, if he is able to give largely, he will disappoint many. However careful, he will sometimes go wrong. He will give where he ought to refuse ; he will refuse where he ought to give ; he will give in one way when it would be better to give in another. If he gives often to individuals, he will make many an enemy among those who accept his bounty. It is only the better class of minds that are capable of gratitude, or can endure the sense of obligation, though quite willing to be under obligation. The other sort, while prompt to accept assistance, will always find excuse for denying to the giver either thanks or acknowledgment.

One of the very best methods of charity open to a man of liberal means is to spend his income. But this way of doing good with money is not appreciated as it should be. The paupers and the destitute are by no means the only class who need help. The great mass of those who earn their own living in some form or

other of honest industry or business, whose self-respect rejects under any circumstances the idea of accepting charity, far more of asking for it, are the most deserving and much the most numerous class; and they cannot exist without the employment and patronage which come from those who are able to pay. There is no charity so wholesome as helping those who help themselves. Instead of pauperizing and humiliating its recipients, it elevates them in their own esteem and in that of those among whom they live. Instead of teaching them to lean upon others, it enables them to take care of themselves honorably and manfully, and to "look the whole world in the face." There are thousands who are apparently in no need of assistance, and who hide their troubles from the public eye, who do not find it easy to make the two ends of the year meet, who have always to practise much self-denial, and even to undergo privation when embarrassed by hard times, illness, or misfortune. There is a keeping-up of appearances which is praiseworthy and pathetic, as well as one that is pretentious and ridiculous. There are those too, and they are many, who are beginning the world. If there is anywhere a just object of sympathy, it is the young person starting out, slender in capital but strong in hope, to make an honest living, and to find a worthy and respected path in life. These are they who are reached and blessed, not by institutions nor by benefactions lauded among men, but by the increase and encouragement of the flow of trade and business out of which they live, which, like the stream on its way to the sea, slakes the thirst and refreshes the weariness of thousands. And they can be reached and helped in no other way.

The man who dispenses his money freely in the channels of employment is often doing more good with it and less harm, whether he knows it or not, than if he were giving it away. The very pleasures and luxuries of the rich, for which they are so commonly criticised, minister necessarily to the livelihood of a multitude of deserving and hard-working people. The country house, the yacht, the opera-box, the club, the elegance of furniture, of costume, of equipage and adornment, all the various incidents of fastidious taste, are superfluities, no doubt. A man can do without them, as most men must. But to what an army do they give bread! The idea that they had better be relinquished, and the cost taken from the workers and given to those who do not work, is a false one. The precious ointment

which the woman was reproached for lavishing needlessly on the object of her adoration, because it might have been sold for much and given to the poor, was not on that account rejected ; perhaps because it was remembered that its price had been already bestowed upon the not undeserving poor whose industries had combined to produce it.

But if what Mr. Carnegie calls "the Gospel of Wealth" is to be preached, or what others term the responsibilities of wealth are to be measured, we should begin with its obligations rather than with its beneficence. While it may freely be conceded to the rich that they should be their own judges of the amount and direction of their charities, there are demands upon them which society has a right to enforce, and ought to insist upon. If there are no duties to be discharged, there are offences to be avoided which are possible to no other class. We cannot compel them to be generous, and we have no warrant to attempt it ; but we are entitled to require that they should be just. Selfishness is a vice, but rapacity is a crime. To them applies with extreme force the ancient maxim of the common law—*sic utere tuo, ut non alienum laedas*. They are bound, first and above all, to refrain from such a use of the vast power of wealth as results either in the plunder of less fortunate men or the demoralization of society at large. Estates already great enough are being made to accumulate with accelerating rapidity by methods which involve both these offences, and are becoming oppressive in the last degree.

Great combinations of capital are organized to enhance unreasonably the price of various necessaries of life, and to extinguish that fair competition in their production which is the safeguard against monopoly and extortion. A burdensome tax is thus laid upon all who have their living to earn, in order to swell unduly the profits of concerns already plethoric with wealth. And when courts of justice interfere against these conspiracies and declare them illegal, fresh devices are resorted to in order to evade the law and to continue the plunder of the public.

In the financial centres, also, there are going on, all the while, fraudulent schemes which impoverish those whose small investments are the fruit of their industry and the provision for their families, to the enrichment of men who through large wealth are able to control transactions. The surplus that in ordinary employments is slowly accumulated, rarely large enough to be

called wealth, must be invested somewhere and somehow, in order to produce any return. Its disposition is anxiously and carefully made, in thousands of instances, in apparently trustworthy securities, and upon such light as can be obtained, in the hope that from 4 to 6 per cent. per annum may fairly be realized with safety to the principal. But the control of the corporation to which these securities belong is acquired by great operators, often through adroit manipulation, not with a view to the honest discharge of the fiduciary relation thus assumed, nor for the protection of the property of others thus intrusted to their charge, but for the purpose of enriching themselves at the expense of their trust. Gradually, by one scheme and another, and by various expedients of management and mismanagement, the property of the corporation is absorbed or turned into indebtedness. The stockholders are plundered, while the wealth of the managers rises into the millions. This is no fancy picture or casual instance. It is a regular course of business, of which the examples are not far to seek. It is true that many corporations are most uprightly and honorably conducted. Malversation is the exception, not the rule. But the exceptions are so numerous as to have become a great and flagrant evil.

These methods of what is called business prey upon individuals. There is a much greater iniquity of wealth which attacks the general public, and even threatens the national life. It is the employment of vast sums of money for the purchase of high places of political trust and the control of the results of important elections. Places that should be of the highest dignity, as they certainly are of the largest influence, are pretty well known to be obtained by direct bribery of the electors in whose gift they are. Posts of much distinction are more than suspected to be the consideration of enormous contributions to electioneering funds. Great sums are generally believed to be raised to carry elections by those who are accumulating excessive fortunes through a system of revenue which not only casts the burden of taxation upon the industry of the country, instead of its property, but, far beyond the legitimate requirements of government, burdens the many for the benefit of the few. And these sums, which could not possibly be requisite for any proper election expenses, are well understood to be employed in the direct purchase of votes in the market, to a decisive extent.

The political power of the country is thus in danger of passing into the hands of a plutocracy, composed not of the best class of the rich, but of the worst, to be used not for the general welfare, but for the still further aggrandizement of those who have bought it, and for the elevation to high places of men who are not fit to be there. These are plain words. But it is time plain words began to be spoken on this subject. Here is not the place to pursue it. Thoughtful men can consider it for themselves, and can satisfy themselves how far the general understanding is supported by the facts. They who believe that the business of government can be thus demoralized, and the general mass thus oppressed, with fortunate and peaceful results, have read the history of mankind to small purpose. The longer the storm broods before it breaks, the more dangerous it becomes. Already clouds much larger than a man's hand have risen above the horizon. How portentous they may prove no man can tell. Forces move rapidly in these days. There is nothing in government or institutions under our system that is not within the ultimate reach of the numerical majority. We are in danger, not of revolution or bloodshed, but of the not less destructive power of frantic and ruinous legislation, controlled by demagogues, and involving in its consequences the just as well as the unjust.

These are the abuses and the mischiefs of wealth, not its necessary results. If from them we can be protected, we need have little concern about its charities. It is certainly not a just ground of reproach against the rich men of this nation, as a body, that they have been niggardly either in benevolence or in public spirit. We have only to look about us to see ample proof to the contrary. What country is so abundant in the institutions of religion, of education, of all known forms of human charity? Where else are to be seen so many and, on the whole, such excellent examples of wise and thoughtful beneficence? Their visible monuments adorn almost every town. Nearly all are the offspring of private liberality. And though much has been contributed by those who have to earn their living, the munificence of the rich is everywhere conspicuous. It is but fair that this should be remembered, and that the prevalent idea that the wealthy are wanting in generosity should be reconsidered. There is a charity of thought and speech that is due to them, as well

as a charity of benevolence that is due from them. One is quite as apt to be neglected as the other. We often hear of those who are said to be poor but honest. It is but just to bear in mind that there are many who are rich but honest, and generous to boot. In that class of society, as in all others, there are men of widely different character. There are those for whom mankind is no better; who use money only to make more money, and would carry it all with them when they die, if they could. They are "the cankers of a calm world." It is for their sins that their whole order is reproached. But we know that there are and have been many Americans whose large estates, honorably inherited or honestly acquired, are like springs in a dry land, freely flowing for the general relief; whose public benefactions are judicious, liberal, and often princely, and whose private charities are as generous as they are unostentatious. The race is not yet extinct in this country of those who "do good by stealth and blush to find it fame."

The idea that prevails in some quarters that large fortunes are in themselves detrimental or opposed to sound public policy is a mistake. So far from being dangerous or justly obnoxious, great estates in good hands are a most important advantage to the community. The world at this day could hardly do without them. If there was no such class, much of the grandest work of our time must come to a halt. The springs of charity would in a large measure dry up. The livelihood of many thousands of workers would fail. The burdens of life would fall heavily on the poor. All that society has a right to demand of the opulent (whatever it may ask) is that they should universally remember what so many of them illustrate in their lives, and yet so many forget—that if riches tend to ennoble, they likewise oblige. There are ways enough to use and enjoy wealth wisely, beneficially, at least harmlessly, as it must be used in the long run if it is to be tolerated, not to say protected. The choice among them belongs to the individual. But there are ways in which it leads to destruction, and devours its own offspring—ways of oppression, of extortion, of corruption. It is upon these that public opinion and public law ought to set their foot, not mildly, but decisively.

E. J. PHELPS.